THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Sir. The Government has no such information.

(b) The increase in the Direct tax-GDP ratio over the last four years from 3.8% to 6.7% is indicative of the fact that the rich are being taxed more. Further, the corporate sector's contribution to direct tax revenues has also been rising steadily and this points to the fact that the profits in the corporate sector are being taxed properly. These fiscal indicators reflect the steps taken by the Government to reduce the gap.

Increase in per capita income and prices of retail goods

†4207. SHRI JANESHWAR MISHRA:

SHRI BRIJ BHUSHAN TIWARI:

SHRI BHAGWATI SINGH:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that as per Government data, per capita income has increased by 22 per cent during the current financial year 2006-07 but prices of retail goods have increased by more than 35 per cent;

(b) if so, whether it is also a fact that this price increase in essential commodities has led to more amount having to be spent than per capita income;

(c) if so, whether Government is going to take any effective steps to check increase in prices; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (d) As per the Quick Estimates of the Cental Statistical Organisation the per capita income at 1999-2000 prices registered an increase of 8.1 per cent in 2006-07 over 2005-06. The rate of growth of per capita income at current prices during this period was 14.2 per cent. This yields an inflation rate of 5.6 per cent at aggregate level.

The Government has undertaken a number of steps to check inflation. This includes maintaining strict fiscal discipline, rationalisation of excise and import duties on essential commodities, effective supply-demand management of essential commodities through liberal tariff and trade policies and procurement by public agencies. The Reserve Bank of India through appropriate monetary policy measures complements Government's efforts to check inflation.

Investment in urban infrastructure

4208. SHRI SANJAY RAUT: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the country needs more than Rs. 120,000 crore of investment in urban infrastructure over the next seven years;

(b) if so, Government's response thereto;

(c) the details of steps taken or proposed to be taken for providing adequate fund towards urban infrastructure development;

(d) whether Government's attention have been drawn towards demand of evolved municipal bonds as an option for financing urban infrastructure in the country; and

(e) if so, Government's view and reaction thereto?

† Original notice of the question was received in Hindi.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Yes, Sir.

(b) and (c) Government of India has launched the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) on 3rd December, 2005 to give focused attention to integrated development of urban infrastructure and services in cities with emphasis on provision of basic services to the urban poor including housing, water supply, sanitation, road network, urban transport, development of inner (old) city areas etc. The Mission envisages central assistance of Rs. 50,000 crore as reform linked central assistance over the Mission period of seven years beginning from 2005-06.

(d) and (e) In 2000-01, the Government inserted a new clause (vii) in Section 10(15) of the Income Tax Act, 1961, exempting interest income from bonds issued by local authorities. Funds raised from Tax Free Municipal Bonds are to be used only for capital investments in urban infrastructure for providing one or more of the following:—

i. Potable Water Supply

ii. Sewerage or Sanitation

iii. Drainage

iv. Solid Waste Management

v. Roads, Bridges and Flyovers; and

vi. Urban Transport (if this is a municipal function under respective state legislation)

Budgetary allocation for loan waiving of farmers

4209. SHRI DARA SINGH:
SHRI RAMDAS AGARWAL:

Will the Minister of FINANCE be pleased to state:

(a) whether he had currently made budgetary allocations of Rs. 60,000 crore as debt relief for farmers and other marginalized sections by way of loan waiving, credit availability and targeted welfare schemes;

(b) if so, the present number of farmers likely to be covered for loan, State-wise;

(c) the total amount of loan outstanding against the farmers as on date and by when the Banks would issue letters to individual farmers informing them regarding waiving of loan amount;

(d) whether bank would be able to provide such amounts adequately; and

(e) whether loan taken by farmers from private money lenders would also be waived off?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (e) The Debt Waiver and Debt Relief Scheme for farmers, announced in the Union Budget 2008-09, stipulates waiver of all loans disbursed by Scheduled Commercial Banks (SCBs), Regional rural Banks (RRBs) and cooperative Credit Institutions (CCIs) before 31.03.2007, that were overdue on 31.12.2007 and which remained unpaid until 29.02.2008 for small farmers (land holding between 1 and 2 hectares) and marginal farmers (land holding upto 1 hectare). In respect of other farmers (land holding more than 2 hectares), there is a One Time Settlement (OTS) Scheme for all loans that were overdue on 31.12.2007 and which remained unpaid until 29.02.2008. The OTS provides a rebate of